



## **The New Budget Process & Circuit Breaker Estimates**

**Courtney L. Schaafsma, CGFM**

**Commissioner**

**October 4, 2016**



# Agenda

---

- Past – What information has been provided and how was it calculated?
- Present – How do we incorporate this information into our budget process?
- Future – What should we expect moving forward?
- Feedback – How can we improve?



# Recent Department Reports



# July – The Month of Reports

---

- July 14 – Estimated Maximum Levies for 2017
- July 14 – Estimated Cumulative Fund Maximum Rates for 2017
- July 29 – Line 7 Worksheet for 2017
- July 29 – Estimated Miscellaneous Revenues for 2017
- July 29 – Estimated Debt Service Levies
- July 29 – Estimated Property Tax Cap Credit Impact (3 reports)



# July – The Month of Reports

---

- All reports are estimates, based on the best information available to the Department at the time the report was prepared.
- The estimates are non-binding and are subject to change as additional information is obtained.



# Estimated Maximum Levies

## STATE OF INDIANA INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

### Calculation of Estimated Maximum Levy for Budget Year 2017

County: 01      Adams  
Unit: 0000      ADAMS COUNTY  
Maximum Levy Type: UT      Civil

2016 Maximum Levy	8,311,001
PLUS: 2016 Permanent Appeal Amount	0
PLUS: 2016 FIT Adjustment	15,376
PLUS: Other Adjustments to 2016 Maximum Levy	0
2016 Maximum Levy for Growth Quotient	8,326,377
TIMES: Assessed Value Growth Quotient (1)	1.0380
Initial 2017 Maximum Levy	8,642,779
TIMES: 2017 Annexation Factor (2)	1.0000
2017 Annexation Adjusted Maximum Levy	8,642,779
PLUS: Potential 2017 Appeal or Other Adjustment As Reported by Unit	0
PLUS: Estimated New Maximum Levy for 2017	0
Estimated 2017 Maximum Levy Prior to Allowable Adjustments	8,642,779
PLUS: Estimated 2017 Cumulative Capital Development Adjustment (3)	478,675
PLUS: Estimated 2017 Maximum Mental Health Adjustment (4)	214,157
PLUS: Estimated 2017 Maximum Developmental Disabilities Adjustment (4)	514,190
Estimated 2017 Maximum Levy	9,849,801

#### NOTES:

(1) Assessed Value Growth Quotient ("AVGQ") for Budget Year 2017 is 3.8%. Civil taxing units in counties which have selected to raise revenue through a local income tax rather than property taxes will have a growth quotient of 0%. Taxing units that qualify under IC 6-1.1-18.5-25 will have a growth quotient equal to the lesser of the unit's assessed value growth over the two preceding years or 6% in addition to the AVGQ.

(2) Annexation adjustment available for cities and towns and certain other taxing units only. If the amount shown is greater than 1.0, then this taxing unit reported estimated annexation assessed value which has been used to determine the estimated annexation factor.

(3) Cumulative capital development levy adjustment for counties and municipalities only. To estimate the cumulative capital development levy, the 2016 net assessed value has been assumed to grow by 3.8%, equivalent to the Assessed Value Growth Quotient. The actual levy adjustment will be computed during the Department's budget review.

(4) Mental health and developmental disabilities adjustments for counties only. If the county unit is appropriating less than the maximum amounts estimated above, the estimated 2017 maximum levy should be reduced to correspond to the actual appropriations. The actual levy adjustment will be computed during the Department's budget review.



# Estimated Maximum Levies

---

- 2016 Maximum Levy
  - For former CAGIT counties, 2016 maximum levy without CAGIT PTRC
  - 1782 Notice Maximum Levy Report – Maximum Levy Limit Subtotal (about 2/3 of the way down the page)
- PLUS: 2016 Permanent Appeal Amount
- PLUS: 2016 FIT Adjustment
  - 1782 Notice Fund Report – Working Maximum Levy Summary on last page of the report



# Estimated Maximum Levies

---

- PLUS: Other Adjustments to Maximum Levy
- EQUALS: 2016 Maximum Levy for Growth Quotient
- TIMES: Assessed Value Growth Quotient – 3.8%
- EQUALS: Initial 2017 Maximum Levy
- TIMES: 2017 Annexation Factor
- EQUALS: 2017 Annexation Adjusted Maximum Levy



# Estimated Maximum Levies

---

- PLUS: Potential 2017 Appeal or Other Adjustment as Reported by the Unit
  - Based on the survey distributed July 5, 2016
- PLUS: Estimated New Maximum Levy for 2017
- EQUALS: 2017 Maximum Levy Prior to Allowable Adjustments



# Estimated Maximum Levies

---

- PLUS: Estimated 2017 Cumulative Capital Development Adjustment
  - Counties and cities and towns only
  - CCD Maximum Rate times 2016 NAV times AVGQ
  - CCD Maximum Rate equals 2016 Certified Rate unless the fund has been re-established
- PLUS: Estimated 2017 Maximum Mental Health Adjustment
  - Counties only
  - 2016 Maximum Amount times AVGQ



# Estimated Maximum Levies

---

- PLUS: Estimated 2016 Maximum Developmental Disabilities Adjustment
  - Counties only
  - 2016 Maximum Amount times AVGQ
    - 2016 Maximum Amount can be found on the Miscellaneous Change Report in the 2016 1782 Notice
- Equals: Estimated 2017 Maximum Levy



# Estimated Maximum Levies

---

- For a county unit, what parts of this calculation might change?
  - Excess Levy Appeal for 2017 that was not included on this report – INCREASE
  - CCD Adjustment:
    - Fund re-established – INCREASE
    - Local adoption less than maximum rate – DECREASE
    - AV growth more than 3.8% - INCREASE
    - AV growth less than 3.8% - DECREASE



# Estimated Maximum Levies

---

- For a county unit, what parts of this calculation might change?
  - Mental Health Adjustment could be lower than number displayed if budget adoption includes lesser amount - DECREASE
  - Developmental Disabilities Adjustment could be lower than number displayed if budget adoption includes lesser amount - DECREASE



# Estimated Maximum Levies

## STATE OF INDIANA INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Calculation of Estimated Maximum Levy for Budget Year 2017

EXAMPLE  
ONLY

County: 01 Adams  
Unit: 0000 ADAMS COUNTY  
Maximum Levy Type: UT Civil

2016 Maximum Levy	8,311,001	
PLUS: 2016 Permanent Appeal Amount	0	
PLUS: 2016 FIT Adjustment	15,376	
PLUS: Other Adjustments to 2016 Maximum Levy	0	
2016 Maximum Levy for Growth Quotient	8,326,377	
TIMES: Assessed Value Growth Quotient (1)	1.0380	
Initial 2017 Maximum Levy	8,642,779	
TIMES: 2017 Annexation Factor (2)	1.0000	
2017 Annexation Adjusted Maximum Levy	8,642,779	
PLUS: Potential 2017 Appeal or Other Adjustment As Reported by Unit	0	200,000
PLUS: Estimated New Maximum Levy for 2017	0	
Estimated 2017 Maximum Levy Prior to Allowable Adjustments	8,642,779	8,842,779
PLUS: Estimated 2017 Cumulative Capital Development Adjustment (3)	478,675	
PLUS: Estimated 2017 Maximum Mental Health Adjustment (4)	214,157	
PLUS: Estimated 2017 Maximum Developmental Disabilities Adjustment (4)	<del>514,190</del>	150,000
Estimated 2017 Maximum Levy	9,849,801	9,685,611

New Target Max Levy

### NOTES:

(1) Assessed Value Growth Quotient ("AVGQ") for Budget Year 2017 is 3.8%. Civil taxing units in counties which have selected to raise revenue through a local income tax rather than property taxes will have a growth quotient of 0%. Taxing units that qualify under IC 6-1.1-



# Estimated Cumulative Fund Maximum Rates

## STATE OF INDIANA INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

### Calculation of Estimated Rate-Controlled Fund Maximum Rates for Budget Year 2017

County: 01 Adams  
Unit: 0000 ADAMS COUNTY

#### Fund: 0590 CUMULATIVE COURT HOUSE

This fund is contained within the unit's civil maximum levy.

Assuming the fund is not re-established, the maximum allowable rate for 2017 is estimated to be the lesser of the following:

2016 Maximum Rate Cap:	0.0990
2016 Certified Tax Rate:	0.0038
<b>Estimated 2017 Maximum Tax Rate:</b>	<b>0.0038</b>

#### Fund: 0790 CUMULATIVE BRIDGE

This fund is contained within the unit's civil maximum levy.

Assuming the fund is not re-established, the maximum allowable rate for 2017 is estimated to be the lesser of the following:

2016 Maximum Rate Cap:	0.0593
2016 Certified Tax Rate:	0.0488
<b>Estimated 2017 Maximum Tax Rate:</b>	<b>0.0488</b>

#### Fund: 1192 CUMULATIVE JAIL

This fund is contained within the unit's civil maximum levy.

Assuming the fund is not re-established, the maximum allowable rate for 2017 is estimated to be the lesser of the following:

2016 Maximum Rate Cap:	0.0300
2016 Certified Tax Rate:	0.0300
<b>Estimated 2017 Maximum Tax Rate:</b>	<b>0.0300</b>

#### Fund: 2391 CUMULATIVE CAPITAL DEVELOPMENT

This fund is contained within the unit's civil maximum levy, which will include an adjustment for this fund.

Assuming the fund is not re-established, the maximum allowable rate for 2017 is estimated to be the lesser of the following:

2016 Maximum Rate Cap:	0.0310
2016 Certified Tax Rate:	0.0310
<b>Estimated 2017 Maximum Tax Rate:</b>	<b>0.0310</b>



## Estimated Cumulative Fund Maximum Rates

---

- During budget review, the cumulative fund rates will be held to the lesser of the following (unless the fund has been re-established):
  - Maximum Rate Cap
  - Prior Year Certified Levy
  - Adopted Rate



## Estimated Cumulative Fund Maximum Rates

---

- For a county unit, what parts of this calculation might change?
  - Fund re-established – INCREASE
  - Local adoption less than the maximum rate – DECREASE
  - If 2016 Certified Rate = 2016 Maximum Rate Cap, maximum rate cap could decrease through the trending calculation – DECREASE



# Line 7 Worksheet

## STATE OF INDIANA INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Line 7 (December Property Tax Collections) Calculation Worksheet for Budget Year 2017

County: 01 Adams  
Unit: 0000 ADAMS COUNTY

	<u>Fund</u>	2016 <u>Certified Levy</u>	2016 <u>Abstract Levy</u>	Starting Levy <u>for Line 7</u>	June 2016 <u>Distributions</u>	Estimated 2017 <u>Line 7</u>
0061	RAINY DAY	0	0	0		
0101	GENERAL	7,021,398	6,865,279	6,865,279		
0124	2015 REASSESSMENT	43,140	42,181	42,181		
0590	CUMULATIVE COURT HOUSE	56,528	55,271	55,271		
0702	HIGHWAY	0	0	0		
0706	LOCAL ROAD & STREET	0	0	0		
0790	CUMULATIVE BRIDGE	725,941	709,800	709,800		
0801	HEALTH	209,749	205,086	205,086		
1192	CUMULATIVE JAIL	446,275	436,352	436,352		
1301	PARK & RECREATION	56,528	55,271	55,271		

This worksheet is being provided by the Department as a tool to assist units in calculating their Estimated Line 7 (December Property Tax Collections) for the Form 4B. Actual Line 7 will be computed during the Department's budget review. To use this worksheet, please follow the instructions below:

1. Populate the fund's June 2016 property tax distribution.
2. Subtract the June 2016 property tax distribution from the Starting Levy for Line 7 amount in order to arrive at the Estimated Line 7 for 2017.

This worksheet should not be used by schools that have completed the protected taxes waiver or taxing units that have reallocated their property tax cap credits. These units should rely upon the workbook previously provided for the calculation of Line 7.

Abstract Levy has been computed by multiplying the abstract tax rate by the abstract assessed value and then subtracting total property tax cap credits from this amount. Starting Levy for Line 7 will be the lesser of Certified Levy or Abstract Levy except in the following situations: conservancy district levies, debt service fund levies, School Capital Projects Fund and Library Capital Projects Fund. In these situations, Starting Levy for Line 7 will be Certified Levy.



# Line 7 Worksheet

---

- For the majority of funds, the Department will start the Line 7 calculation from the lesser of the 2016 certified levy or the 2017 abstract levy.
- Exceptions:
  - Debt Service Fund Levies
  - School Capital Projects Fund
  - Library Capital Projects Fund
  - Conservancy District Levies
- Certified Levy used as starting point for the exceptions.



# Line 7 Worksheet

---

- Write in June 2016 distributions by fund.
- Subtract June distributions from the Starting Levy for Line 7.
- Result is the Estimated Line 7 for 2017.



# Estimated Miscellaneous Revenues

## STATE OF INDIANA INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Estimated Miscellaneous Revenues for Budget Year 2017

County: 01 Adams

Unit: 0000 ADAMS COUNTY

Revenue Type	Max Levy Type (If Applicable)	Estimated Revenues		Notes
		7/1/16-12/31/16	1/1/17-12/31/17	
R103 County Economic Development Income Tax (CEDIT)		881,929	0	Amount estimated based on 2016 Certified Distributions as calculated by the Department of Local Government Finance. July-December 2016 = 50% of 2016 Certified Distribution. 2017 = \$0 due to the local income tax transition.
R104 County Option Income Tax (COIT)		1,139,899	0	Amount estimated based on 2016 Certified Distributions as calculated by the Department of Local Government Finance. July-December 2016 = 50% of 2016 Certified Distribution. 2017 = \$0 due to the local income tax transition.
R112 Financial Institutions Tax		22,046	41,888	Amount estimated by the Department of Local Government Finance based on distribution figures provided by the Auditor of State's Office. December 2016 = Provided by Auditor of State. 2017 = June 2016 distribution as provided by Auditor of State + 90% of December 2016 distribution provided by Auditor of State. This amount should be spread proportionally across all funds with a property tax levy and within the maximum levy type, if applicable.

The figures contained in this report are estimates only and are subject to change.

In addition to the revenues identified on this report, taxing units should also estimate other revenues that they may receive locally in order to provide a complete picture of the revenues available to support their 2017 budgets.



# Estimated Miscellaneous Revenues

---

- Provides estimated revenues for those revenues which the Department has historically set during budget review
  - 2nd Half of 2016 estimate (Column A – Form 2)
  - Budget Year 2017 estimate (Column B – Form 2)
- Provides comments on basis for each calculation
- Replacement for the Auditor's Certificate
- CHECK FOR MULTIPLE PAGES



# Estimated Miscellaneous Revenues

---

- FAQ: The Local Income Tax (LIT) Reports released August 18 show a number different than the LIT estimated on the July 29 report. Which one should I use?
  - The August 18 estimates will be more accurate as they are based on the State Budget Agency's estimated county-wide distributions for 2017, released August 1.



# Estimated Debt Service Levies

## STATE OF INDIANA INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

### Estimated Debt Service Payments and Levies for Budget Year 2017

County: 01 Adams  
Unit: 0025 NORTH ADAMS COMMUNITY SCHOOL CORP  
Fund: 0180 DEBT SERVICE

<u>Debt Name</u>	Estimated 2017 Line 1 - Payments <u>1/1/17 - 12/31/17</u>	Estimated 2017 Line 2 - Payments <u>7/1/16 - 12/31/16</u>	Estimated 2017 Line 11 - Operating <u>Balance</u>
Fees	1,250	625	0
Interest on Temporary Loans	0	0	0
North Adams Community School Renovation Bldg. Corp. First Mortgage Bonds, Series 2000	2,470,000	1,220,000	1,250,000
North Adams Community School Renovation Bldg. Corp. First Mortgage Bonds, Series 2006	462,159	234,014	233,000
North Adams Community School Renovation Bldg. Corp. First Mortgage Bonds, Series 2008	191,500	96,000	95,250
Unreimbursed Textbooks	49,499	22,131	0
TOTALS:	3,174,408	1,572,770	1,578,250
Estimated 2017 Levy:			4,658,251

The figures contained above are estimates only. The actual values will be computed during the Department's budget review.

#### Summary of Significant Assumptions

1. For the purposes of these estimates, the Department considered only debts, leases and other allowable expenditures from the debt service funds which were included in the 2016 budget review. The Department has not included any new debt issuances.
2. The Department relied upon data entered into the Debt Worksheet on Gateway for the 2016 Budget Year in order to estimate the Line 1, Line 2 and Line 11 amounts for 2017. The reliability of these figures may be impacted by data entry errors on the Debt Worksheet.
3. To estimate the 2017 levy for the fund, the Department has assumed no June 30 cash balance and no miscellaneous revenues. The presence of these dollars could reduce the levy needed to support the identified debt.



# Estimated Debt Service Levies

---

- For each debt that was included in the 2016 budget, the Department used the unit's 2016 Debt Worksheet and the Gateway amortization schedules from Debt Management to try to identify the payments due the last half of 2016 (Line 2 – Form 4B), and in 2017 (Line 1 – Form 4B) and 2018 (Line 11 – Form 4B).
- If data entry errors exist in the 2016 Debt Worksheet or the amortization schedule, the Department's process would not have corrected for these errors.



# Estimated Debt Service Levies

---

- Once the Line 1, Line 2, and Line 11 values were estimated for each debt, the Department estimated the Property Tax Levy (Line 16) for the debt service fund.
  - June 30 Cash Balance (Line 6 – Form 4B) assumed to be \$0.
  - December Tax Collections (Line 7 – Form 4B) estimated as 50% of 2016 certified levy less any 2016 property tax cap credits impacting the fund, including Over 65 Credits.
  - Miscellaneous Revenues (Lines 8a and 8b – Form 4B) assumed to be \$0.



# Estimated Debt Service Levies

---

- The actual debt service levy will be computed during budget review.
- Changes that may account for difference between the estimated debt service levies and the actual debt service levies for 2017:
  - Actual amortization schedule – INCREASE/DECREASE
  - New debt – INCREASE
  - Debt retirement or refinancing – INCREASE/DECREASE
  - June 30 cash balance – DECREASE
  - December tax collections – INCREASE/DECREASE
  - Miscellaneous revenues – DECREASE



# Estimated Property Tax Cap Impact – Report 1

## 2017 Estimated Property Tax Cap Impact Report Adams County

0000   ADAMS COUNTY	Estimated Impact
Civil Max Levy Fund Credits	\$764,464
Total Estimated Credits	\$764,464

0001   BLUE CREEK TOWNSHIP	Estimated Impact
Civil Max Levy Fund Credits	\$50
Township Fire Credits	\$17
Total Estimated Credits	\$66

0002   FRENCH TOWNSHIP	Estimated Impact
Civil Max Levy Fund Credits	\$23
Township Fire Credits	\$36
Total Estimated Credits	\$59

0003   HARTFORD TOWNSHIP	Estimated Impact
Civil Max Levy Fund Credits	\$598
Township Fire Credits	\$289
Total Estimated Credits	\$886

0004   JEFFERSON TOWNSHIP	Estimated Impact
Civil Max Levy Fund Credits	\$262
Township Fire Credits	\$184
Total Estimated Credits	\$446



# Estimated Property Tax Cap Impact – Report 1

---

- Report 1 provides the estimated property tax cap impact for each unit based on the data from the previously discussed reports.
- The property tax cap calculations use the 2016 tax data file submitted by the county auditor this past spring.
  - Based on 2016 assessed values, deductions, exemptions and credits.
- These figures are estimates only.



# Estimated Property Tax Cap Impact – Report 1

---

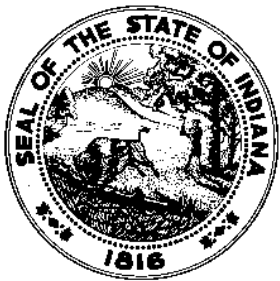
- It has been assumed that each unit will adopt a budget and levy that would result in the unit taking all of its maximum levy, maximum rates for cumulative funds and the entire estimated debt service levy.
- In addition to the items previously discussed that may impact the outcome of an individual figure, local decisions will impact the final property tax cap impact figures.
  - Not taking all of the maximum levy - DECREASE
  - Not adopting the maximum tax rate for cumulative funds - DECREASE
  - Not taking the entire allowable operating balance - DECREASE



# Estimated Property Tax Cap Impact – Report 1

---

- It is important to remember that the property tax cap impact is driven by the combination of rates for all taxing units within a taxing district.
- Levy changes by another unit may impact the county unit's property tax cap impact even if the county unit's levy does not change or stays relatively stable.



# Estimated Property Tax Cap Impact – Report 2

## 2017 Estimated Taxing District Rates Report Adams County

001   NORTH BLUE CREEK TOWNSHIP				
Unit Type	Unit Code	Unit Name	2016	2017
1	0000	ADAMS COUNTY	0.6064	0.6621
2	0001	BLUE CREEK TOWNSHIP	0.0367	0.0382
4	0015	ADAMS CENTRAL COMMUNITY SCHOOL CORP	0.7323	0.8620
6	1011	ADAMS COUNTY SOLID WASTE MANAGEMENT	0.0445	0.0463
Taxing District Total:			1.4199	1.6086

002   SOUTH BLUE CREEK TOWNSHIP				
Unit Type	Unit Code	Unit Name	2016	2017
1	0000	ADAMS COUNTY	0.6064	0.6621
2	0001	BLUE CREEK TOWNSHIP	0.0367	0.0382
4	0035	SOUTH ADAMS SCHOOL CORPORATION	1.0164	1.3259
6	1011	ADAMS COUNTY SOLID WASTE MANAGEMENT	0.0445	0.0463
Taxing District Total:			1.7040	2.0725



# Estimated Property Tax Cap Impact – Report 3

## 2017 Estimated Property Tax Cap Impact by District Adams County

001   NORTH BLUE CREEK TOWNSHIP			
Unit Type	Unit Code	Unit Name	Estimated Credits
1	0000	ADAMS COUNTY	\$259
2	0001	BLUE CREEK TOWNSHIP	\$15
4	0015	ADAMS CENTRAL COMMUNITY SCHOOL CORP	\$337
6	1011	ADAMS COUNTY SOLID WASTE MANAGEMENT	\$18
Taxing District Total:			\$630

002   SOUTH BLUE CREEK TOWNSHIP			
Unit Type	Unit Code	Unit Name	Estimated Credits
1	0000	ADAMS COUNTY	\$886
2	0001	BLUE CREEK TOWNSHIP	\$51
4	0035	SOUTH ADAMS SCHOOL CORPORATION	\$1,775
6	1011	ADAMS COUNTY SOLID WASTE MANAGEMENT	\$62
Taxing District Total:			\$2,774



## Estimated Property Tax Cap Impact – Reports 2 and 3

---

- These reports are supporting reports for Report 1.
  - Report 2 – Taxing Rate by Taxing District (with comparison to 2016)
  - Report 3 – Estimated Property Tax Credit by Taxing District
- By breaking down the taxing districts by unit, a reader of the reports can identify which units are causing shifts in the tax rate (Report 2) and may be driving shifts in the property tax cap impact (Report 3).



# Impact on the Budget Process



# Impact on the Budget Process

---

- IC 6-1.1-17-3
  - The notice to taxpayers must include the estimated maximum levy, as provided by the Department.
  - The notice to taxpayers must include the estimated property tax cap impact, as estimated by the Department.
  - A taxing unit must consider the net property tax revenue to be collected by the unit after application of the property tax cap impact.



# Form 3 – Notice to Taxpayers

---

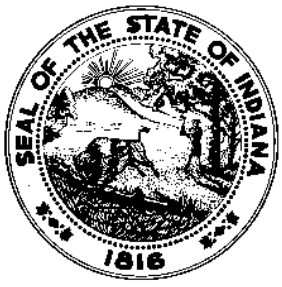
- Form 3 Population of Fields by the Department:
  - Estimated Maximum Levy
  - Estimated Property Tax Cap Impact
- Both of these fields are informational fields and do not flow into any other part of the Gateway Budget Forms.
- These fields are non-binding and do not impact the budget review process.



# Property Tax Cap Estimates

---

- If a unit would like to use property tax cap impact estimates other than the ones released by the Department, that is an option and there is no penalty for doing so.
  - Form 3 has to display the Department's estimates.
    - Informational fields only
- Other budget forms and calculations can reflect the unit's estimates of property tax cap impact.



# Form 1 – Budget Estimate

---

- New tab added on the Form 1 to list the estimated property tax cap impact per fund.
- FAQ: How do I know how much property tax cap impact to allocate to each fund?
  - The Department provided an Excel workbook on August 2 to assist units in allocating property tax cap impact among funds.
  - County Specific Information – Allocation Workbook
  - <http://in.gov/dlgf/files/160802%20-%20Parkinson%20Memo%20ATTACHMENT%20-%20Allocation%20Workbook.xlsx>



# Allocation Workbook

	A	B	C	D	E	F	G	H	I
1	County								
2	Unit Name								
3	Unit Type								
4	<b>** IMPORTANT NOTE **</b>  The Department does not assume any liability or responsibility for the work product or actions of a user of this workbook, or for the accuracy, completeness, or usefulness of any material displayed or distributed through this workbook. The Department makes no warranty, express or implied, with respect to the information included in this workbook and has no responsibility or liability therefore.								
5	<b>Max Levy Description</b>				<b>Max Levy Type</b>	<b>Projected Tax Cap Credits</b>	<b>Total Allocated</b>		
6	Estimated Civil Max Levy Property Tax Cap Credits				Civil				
7	Estimated Other Cumulative Property Tax Cap Credits				Non-Civil Cumulative				
8	Estimated School Bus Replacement Tax Cap Credits				Bus Replacement				
9	Estimated School Transportation Tax Cap Credits				School Transportation				
10	Estimated Township Fire Tax Cap Credits				Township Fire				
11	Estimated Fire Territory Tax Cap Credits				Fire Territory				
12	Estimated Debt Service Tax Cap Credits*								
13	<b>Total Estimated Circuit Breaker</b>					-	-		
14									
15	<i>*Users should note that Debt Service property tax cap credits will not be allocated for the purposes of this workbook</i>								
16									
17	<b>Fund</b>	<b>Fund Name</b>			<b>Max Levy Type</b>	<b>Form 4B Line 16: Property Tax Levy</b>	<b>Est Property Tax Cap Impact</b>		
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									



# Allocation Workbook

---

- Fill in the blue fields on the workbook:
  - Projected Property Tax Cap Credits
  - Fund Number (four digit – DLGF codes)
  - Proposed Property Tax Levy
- The workbook will calculate the property tax cap impact by fund.
  - Debt service funds will not be allocated as they are protected funds.
- This workbook can be used with the Department's estimates or with a unit's estimates.



# Gross Budget vs. Net Budget

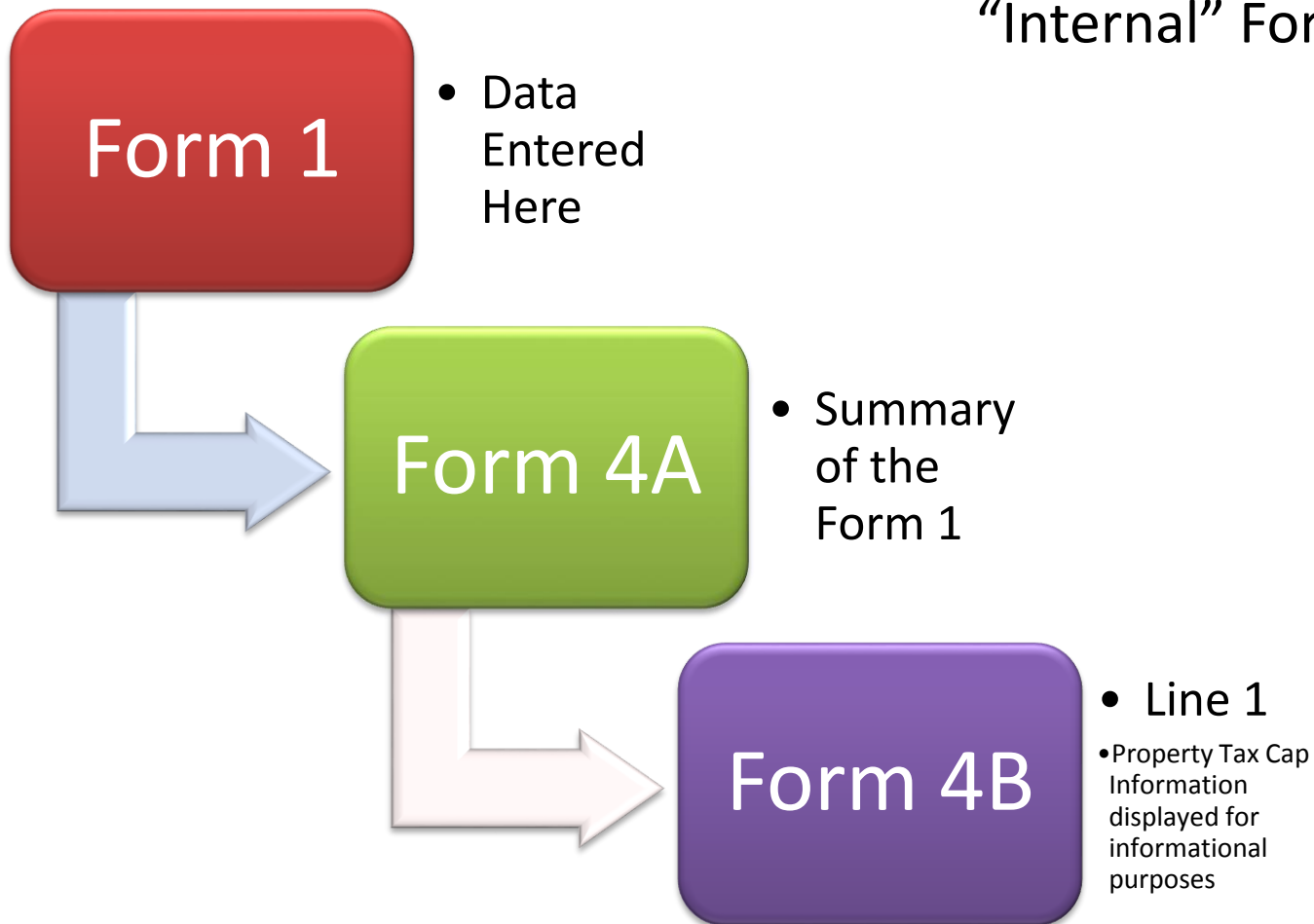
---

- Gross Budget – Total budget on the Form 1 for a fund, including the estimated property tax cap impact
- Net Budget – Total budget on the Form 1 for a fund, excluding the estimated property tax cap impact
  - What do you actually expect to spend?



# Gross Budget Flow Chart

## “Internal” Forms



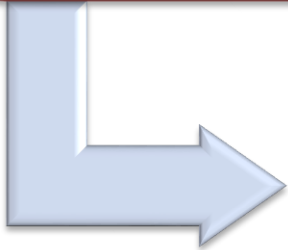


# Net Budget Flow Chart

## “External” Forms

Form 4B

- Data Entered Here
- Total Budget Less Property Tax Cap Impact



Form 3

- Displays Net Budget so Taxpayers have a better feel for actual expenditures

Form 4

- Adopt actual expenditures
- Data comes from the Form 4B



# Impact on the Budget Process

---

- Property tax cap impact does need to be considered in a unit's budget adoption process.
- The Department's estimates are estimates only and are non-binding.
- A unit may use their own estimates for property tax cap impact.



# Impact on the Budget Review



# Impact on the Budget Review

---

- In order to provide for the best possible budget certifications, the Department is anticipating re-estimating property tax cap impacts during budget review, once additional information is available.
  - Actual Budget Adoptions
  - Debt Issuance
  - Levy Adjustments
- These re-estimates will still use 2016 tax bill data.



# Impact on the Budget Review

---

- Based on these re-estimates, the Department will then work with the units to determine the best course of action for moving forward with the best possible budget numbers.



# Future Updates



# Future Updates

---

- June 2017 for Budget Year 2018:
  - The Department anticipates making available a form on Gateway that taxing units will be required to submit:
    - Anticipated Appeals
    - Anticipated Re-Establishments/Establishments
    - Anticipated Debt Issuance
    - Estimated June 30 Cash Balances for Debt Funds
    - Identification of Debt Payments to be Included in Budget Review



# Future Updates

---

- May 1, 2018 for Budget Year 2019:
  - New deadline for submission of cumulative fund establishments or re-establishments
- August 1, 2018 for Budget Year 2019:
  - New data file submission of certified net assessed value data



# Future Updates

---

- Conversion of Form 4B to account for consideration of property tax cap impact:
  - Property Tax Levy
  - Less: Estimated Property Tax Cap Impact
  - Equals: Net Property Tax Levy
  - Plus: Other Funding Sources (fund balances, miscellaneous revenues)
  - Less: Other Expenditures (temp loans, last half appropriations)
  - Equals: Budget for Budget Year



# County Council Review



# County Council Review

---

- How did the new process go this year?
- What changes would be helpful to make this process easier/better?



# 1782 Notice Updates



# 1782 Notice Updates

---

- The Department's 1782 Notice currently provides the following reports:
  - Notes
  - Fund Report
  - Miscellaneous Revenues Report
  - Maximum Levy Calculations
  - Miscellaneous Changes Report
  - Cumulative Fund Rate Cap Calculation
  - Debt Service Worksheet



# 1782 Notice Updates

---

- Are there other reports that would be helpful to include in the 1782 Notice?
- Are there other files that would be helpful to release at the time of the release of the 1782 Notice?



# Budget Order Updates



# Budget Order Updates

---

- The Department's budget order currently provides the following reports:
  - Taxing District Rates (includes comparison to prior year rates)
  - Appropriations for Certain School Corporation Funds
  - Approved Budget, NAV, Levy and Tax Rate by Taxing Unit and Fund



# Budget Order Updates

---

- Are there other documents that would be helpful to include in the Budget Order?
- Are there other files that would be helpful to release at the time of certification of the Budget Order?



# Contact the Department

---

- Courtney L. Schaafsma, Commissioner
  - Telephone: 317.234.5720
  - Email: [cschaafsma@dlgf.in.gov](mailto:cschaafsma@dlgf.in.gov)
- Website: [www.in.gov/dlgf](http://www.in.gov/dlgf)
  - “Contact Us”: [www.in.gov/dlgf/2338.htm](http://www.in.gov/dlgf/2338.htm)